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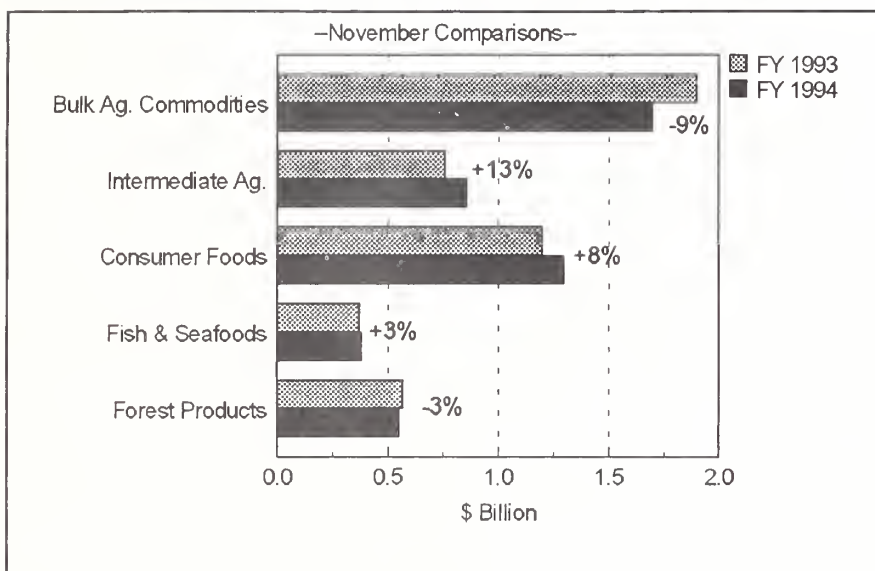
Agricultural Trade Highlights

Circular Series

ATH 1 94
January 1994

November Exports Virtually Unchanged

Intermediate and Consumer Food Products Forge Ahead



November trade statistics released on January 19 by the Commerce Department placed the value of U.S. agricultural, fish, and forest product exports at \$4.6 billion, roughly unchanged from the same month last year. Agricultural exports alone totaled \$3.9 billion, up one percent from November 1993. Sharply lower shipments of coarse grains, tobacco, peanuts, and animal fats were offset by higher shipments of soybean meal, feeds and fodders, live animals, fresh fruit, snack foods, and tree nuts. Exports of fish and forest products totaled \$745 million in November, down one percent from the same month last year.

U.S. agricultural, fish, and forest product exports during the first two months of fiscal 1994 fell to \$9.3 billion, down 3 percent from 1993's level. Agricultural exports totaled \$7.8 billion, 3 percent behind 1993's level.

At \$1.7 billion in November, U.S. exports of *bulk commodities* fell 9 percent from the same month last year. Double-digit declines for coarse grains, tobacco, and peanuts were only partly offset by gains in sales of pulses and rice. Exports of wheat were unchanged from last year, while shipments of soybeans and cotton fell slightly.

U.S. exports of *intermediate products* reached \$859 million in November, finishing \$98 million ahead of the same month a year earlier. Increased exports of live animals, soybean meal, feeds and fodders, vegetable oils, and sugar, sweeteners, and beverage bases were offset by double-digit declines in wheat flour and animal fats.

At \$1.3 billion in November, U.S. exports of *consumer-oriented products* continued to rise. Shipments were 8 percent ahead of levels during the same month last year. Exports rose in all categories except chilled and frozen red meats, eggs and products, fresh vegetables, and wine and beer. Double

digit increases were registered in exports of snack foods, prepared and preserved red meats, processed fruit and vegetables, fresh fruit, tree nuts, and nursery products.

At \$192 million, edible *fish and seafood* exports were up 3 percent from November 1992. The largest increases were recorded for roe and crabmeat. The most significant declines were reported for salmon.

U.S. *wood product* exports fell to \$553 million in November 1993, down 3 percent from a year ago. Shipments of logs, lumber, and panel products all recorded moderate declines.

Export performance with the *top ten U.S. agricultural markets* was mixed for November compared with the same month last year. While shipments declined to Mexico, Taiwan, South Korea, Hong Kong, and the Philippines, increases occurred in Japan, Canada, the EU, the former Soviet Union, and Saudi Arabia.

U.S. agricultural imports totaled \$2.1 billion in November, up 7 percent from 1993 levels. The increase was mainly due to purchases of wheat, oats, barley, tobacco, pork, citrus juices, and cocoa.

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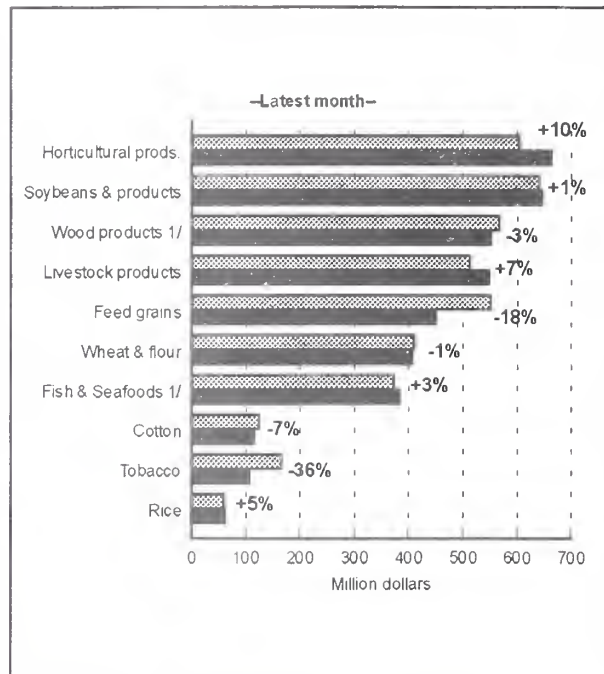
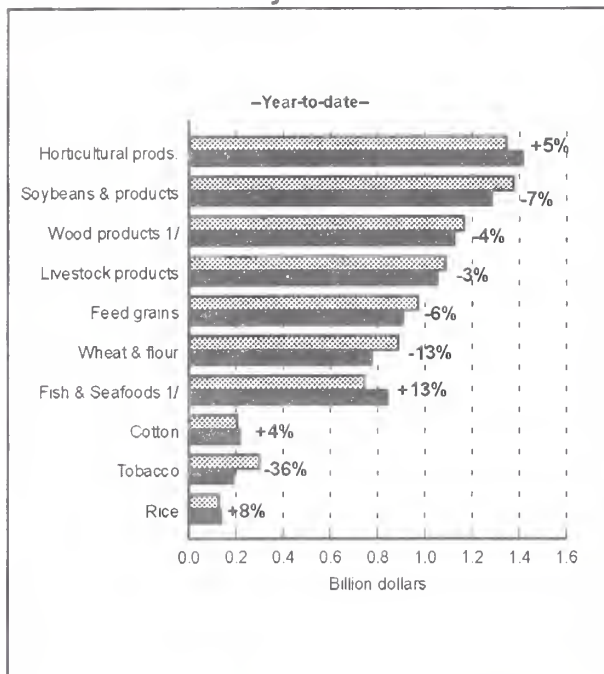
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U.S. Agricultural Export Summaries

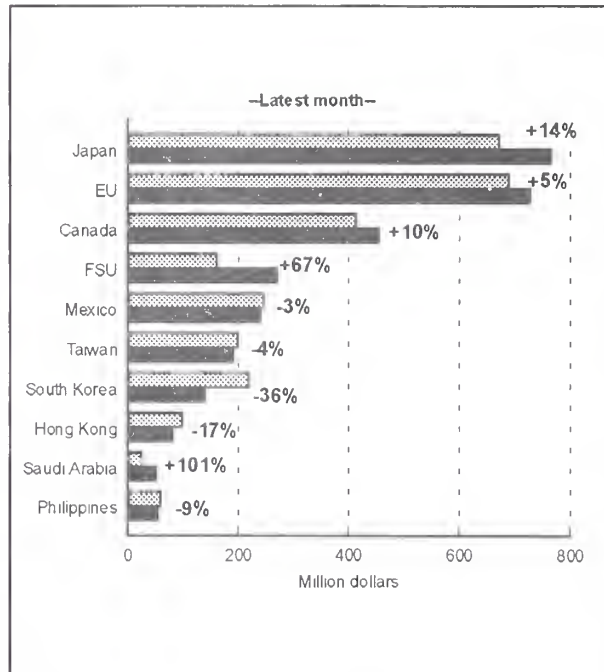
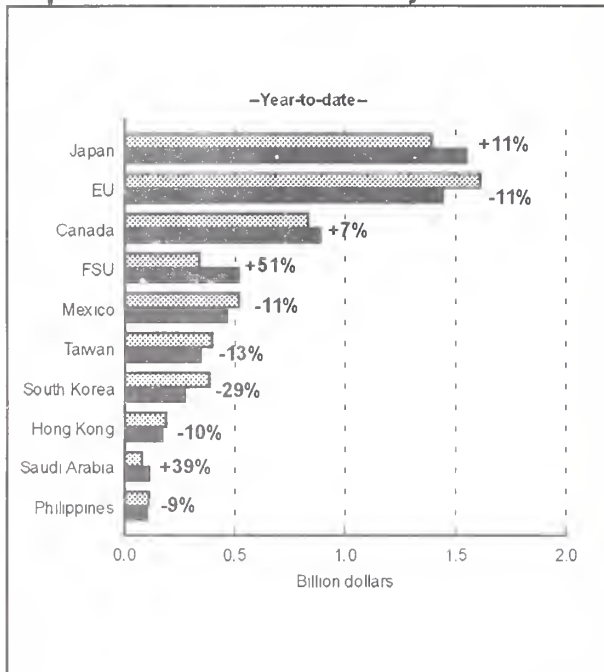
October-November and Latest Month Comparisons

■ FY '93 ■ FY '94

Product Summary



Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.
1/ Not included in agricultural totals.

Consumer Food Highlights

November exports of consumer foods were \$1.3 billion. With only one more month in calendar 1993, U.S. consumer food exports reached \$13.6 billion, six percent above the record pace last year. Snack foods and poultry meat have been the star performers in that they are ahead by the largest dollar amount. However, almost all categories experienced gains, and several have already set records.

In November, shipments of *chilled/frozen red meats* dipped to \$258 million. At \$2.8 billion, year-to-date sales were running two percent behind last year's level. Although exports for retail cuts of boneless beef and pork were up \$122 million, these gains were reversed by a greater downturn in carcass sales and shipments of other chilled and frozen beef and pork products. Horse meat was off \$28 million, primarily on lower sales to France.

November's exports of *fresh fruit* rose 21 percent to \$147 million. Shipments so far this year total \$1.6 billion, virtually unchanged from the year-earlier. The world apple glut continues to drag down U.S. apple exports, which are \$24 million below the 1992 level. Lower grapefruit prices account for the 9-percent decline in these shipments. On the bright side, exports of fresh grapes are up \$25 million, and cherries and avocados are each running \$6 million ahead of the same period last year. The North American market has already set a record for exports of U.S. fresh fruit.

Processed fruit and vegetable shipments were up 12 percent to \$149 million in November. Year-to-date sales were \$1.5 billion, up 5 percent from last year's level. Most of the growth occurred in preserved and prepared vegetables. Demand for this type of food expands with the trend towards more convenience in food preparation. The largest advances to date are for frozen french fries (up \$15 million), canned sweet corn (up \$13 million), and vegetable food preparations (up \$13 million). Exports to Hong Kong have reached an all-time high.

Tree nut exports reached \$118 million in November, a 35-percent increase over the same month last year. At \$878 million, the cumulative-to-date figure was almost 4 percent ahead of 1992's

level. Shipments of almonds in all forms (shelled, unshelled or preserved), which compose almost 62 percent of all U.S. tree nut exports, increased by \$77 million, primarily on strong European demand despite higher prices. On the minus side, both walnuts and pistachios, the U.S.' second and third largest nut exports, dropped below last year's level. In terms of individual country markets, exports to Japan and South Korea have already set a record.

Exports of *poultry meat* continued to shine, totaling \$100 million in November. This raises year-to-date sales to \$971 million, bringing U.S. poultry meat exports to an all-time high. The product group's pacesetters are frozen chicken and turkey cuts. Exports of frozen chicken cuts have boomed in several emerging markets, including a \$41 million gain to the Russian Federation and a \$24 million increase to Poland. Over the same period, exports of frozen turkey cuts blazed new trails in Mexico, expanding by \$30 million and helping to boost poultry meat sales to Mexico to a new high. Canada has also become increasingly receptive to U.S. poultry exports, with shipments reaching a record \$150 million. Similarly, poultry meat sales to Hong Kong have reached record levels, primarily due to strong transshipments to China.

Exports of *fresh vegetables* totaled \$74 million in November. Cumulative-to-date shipments in 1993 have already set a record, boosted by higher sales to Canada, the destination for almost three-quarters of U.S. vegetable exports. Shipments to Japan, the second largest market, have risen to the highest level ever as that country turns increasing towards the U.S., its largest supplier in 1992, to meet rising demand for fresh vegetables. All major vegetable items besides tomatoes (i.e. potatoes, lettuce, onions, broccoli, asparagus), posted strong gains of roughly \$12 million

apiece. Sales to the fifth largest market, the Caribbean Islands, have posted an all-time high.

In November, exports of *wine and beer* fell 26 percent to \$26 million. However, at \$352 million, year-to-date sales remain three percent ahead of the year-earlier level. Extensive marketing overseas by major U.S. breweries is a primary factor in the growing interest in U.S. beers. Beer sales to Hong Kong have more than rebounded from last year's dip, doubling in value and setting a record of \$19 million. Sharply higher exports of beer to Mexico, the Russian Federation and South Korea have also buoyed growth of this product group. In addition, higher wine sales to the European Union have raised U.S. exports to record levels in that market.

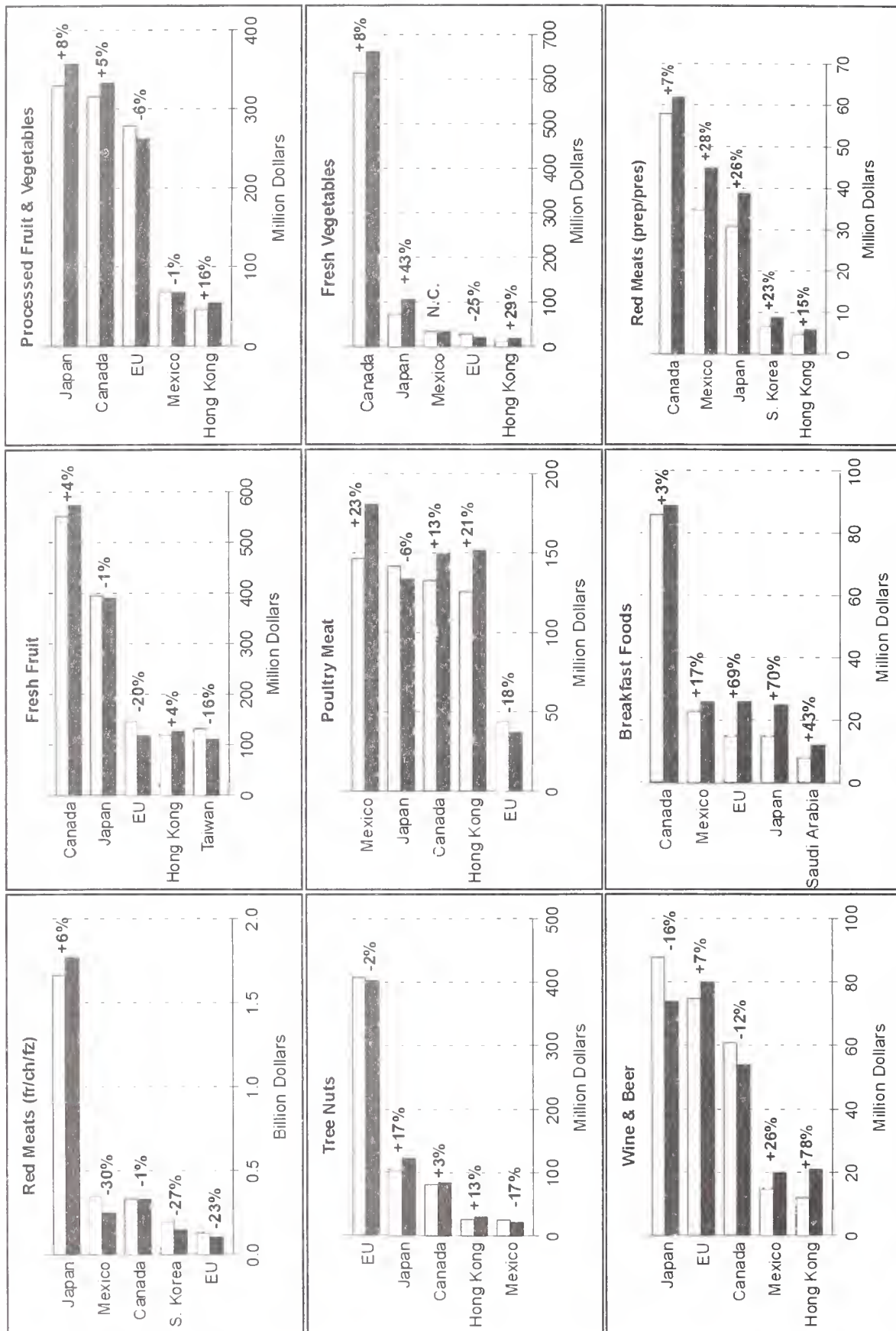
Breakfast food exports totaled \$22 million in November. Year-to-date exports reached an all-time high of \$234 million, up 20 percent from last year's level. Increased exports of pancake flour, muffin mix, bagels, pastry dough, and similar preparations account for more than half of the growth of the entire product group. Spearheaded by a boom in sales of these bakery-type items, U.S. breakfast food exports to Japan have already set an all-time high. Ready-to-serve cereals, on the other hand, remain the largest component of the product group. The hottest market for ready-to-serve cereals has been the United Kingdom, which is up threefold over the year earlier.

Exports of *prepared and preserved red meats* rose 28 percent to \$23 million. This boosted year-to-date shipments to \$193 million, a new record high. The leading performer has been luncheon meats of mixed ingredients (pepperoni, salami, bologna, sausages), which rose to \$88 million in the first eleven months, up 36 percent over the year earlier. Much of this growth was to Mexico, and then Japan. With a growing economy and higher levels of discretionary income among Mexican consumers, U.S. prepared meat sales to Mexico set a new record of \$44 million. All-beef hot dogs, corn beef and similar bovine preparations are also outpacing last year, although sales of beef jerky and cured pork products are down.

For more information, contact Diane Dolinsky at (202) 720-6821.

Top Five Markets for Selected U.S. Consumer Foods

January through November Comparisons □ 1992 ■ 1993



Note: Percentages are computed as the change from 1992 to 1993.

Country Spotlight: Australia

U.S. exports of agricultural, fish and wood products to Australia totaled \$364 million in 1992, and are expected to reach a record \$450 million in 1993. With such phenomenal growth, Australia has now become the United States' 13th largest foreign market. Sales of high-value foods and beverages fueled most of the growth in U.S. exports since the mid-1980s; a trend expected to continue for the rest of this decade. The United States currently accounts for 20 percent of the country's agricultural imports, and ranks third just behind the European Union and New Zealand for high-value intermediate and consumer foods.

Australian imports of agricultural, fish and wood products from all countries now total about \$2 billion, or nearly twice the value recorded in 1985 and 1986. Rising sales of a few intermediate and a broad range of consumer foods have accounted for most of the increase, while imports of bulk commodities have remained flat at \$200-\$300 million. Currently, nearly 90 percent of Australia's agricultural imports fall into either the high-value intermediate or consumer foods categories, up from about 75 percent in 1985. On-going changes in Australian food preferences, lifestyles and demographics is the main reason for this shift. The European Union (EU), the United States and New Zealand have reaped the largest gains from Australia's changing import profile because they account for just over half of the country's high-value imports.

Having just emerged from a severe recession, the outlook for the Australian economy calls for moderate GDP growth of 3.2 to 3.5 percent a year through the end of this decade. Although this situation supports

increased consumer spending, persistent high unemployment will moderate any positive impact. Renewing its commitment to comprehensive economic reform launched in 1988, the government announced new initiatives in 1992 to restructure and strengthen the economy and further reduce trade barriers.

Australia's unique geography and climate give it a comparative advantage in the production of grains, livestock and certain horticultural products. This limits sales opportunities for foreign suppliers of bulk grains, intermediate grain and livestock products, and some consumer foods like meats and in-season fruits. Australia is a major exporter of wheat, barley, beef and wool. Domestic production of lamb and mutton, pork, poultry meat, milk, certain fruits and sugarcane are also important.

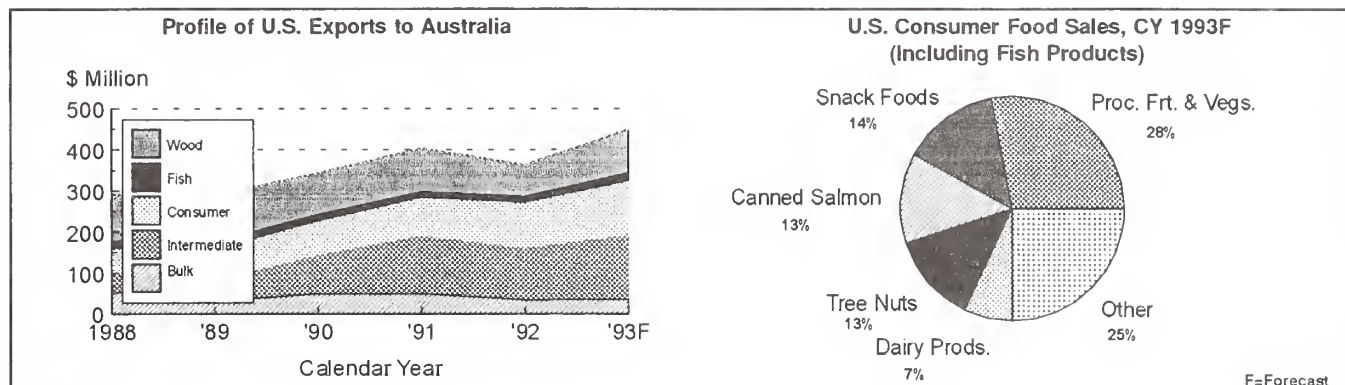
Few Opportunities for Bulk and Intermediate Products

U.S. bulk commodity exports to Australia peaked at \$53.5 million in

1988. U.S. and several southeast Asian suppliers are the major players in this market. At \$33.5 million, U.S. sales for 1992 were off 40 percent from the record, but sales are expected to reach \$36 million in 1993. Tobacco and soybeans account for three-fourths of this total, but some sales opportunities exist for pulses, rice and peanuts. Periodic droughts can cause disastrous years for the production of basic commodities, but their impact tends to remain limited to the country's ability to meet export obligations. National and state-level marketing boards oversee producer-financed stabilization programs.

Since 1988, U.S. intermediate product exports rose on average 28 percent each year to a record \$127.9 million in 1992. A new record \$159 million is expected in 1993. Australia's imports in this category from all countries grew strongly in recent years, largely due to rising imports of animal feeds and vegetable oils. For example, imports of palm oil (an item used in highly-processed foods) and olive oil rose \$47 million from 1985 to 1991. U.S. suppliers did not participate in the expanding vegetable oil trade, however U.S. exports of soybean meal and other feeds are up with sales expected to reach \$27 million in 1993.

Although exports of U.S. intermediate products are up, sales gains are limited to only a few items. Beverage bases are responsible for most of the growth in this category, and now account for half of all U.S. intermediate product sales. U.S. beverage base exports grew ten-fold from \$8 million in 1988 to an expected \$87 million in 1993. Coca



Cola, which holds a commanding 50 to 60 percent of the Australian carbonated drink market, dominates U.S. exports of beverage bases. Its product line is shipped via Los Angeles from a plant in Puerto Rico. According to a sales representative, the Australian market for soft drinks grew about seven percent on average during the past ten years. Coca Cola's main competitors are Pepsi and Cadbury Schweppes.

Changing Consumer Profiles Create New Opportunities

On-going changes in consumer food preferences, lifestyles and demographics have created new opportunities for consumer foods. During the past several years, consumer eating habits have become increasingly cosmopolitan and more international in nature. A continued influx of immigrants from Europe and Asia fuel the demand for a greater diversity of international foods. Consumer demand for a greater variety of dietary and healthful foods is also on the rise. The National Heart Foundation now operates a program which allows producers to place a 'tick' of approval on the label if a product meets certain criteria for low levels of fat, sodium and cholesterol. With 42 percent of the female population employed, more people are eating restaurant and carry-out meals and the demand for retail convenience foods is growing. Speeding the adoption of new eating habits, a full 83 percent of Australia's 18 million people reside in urban areas.

Since 1988, U.S. consumer food exports (including fish and seafood) to Australia rose on average 13 percent each year to \$125.2 million in 1992. A new record \$148 million is expected in 1993. Exports of fish and seafood products, which make up 15 percent of the total, should reach a record \$22 million. U.S. suppliers have captured about 14 percent of the import market for consumer foods. Processed fruits and vegetables, snack foods, canned salmon, tree nuts and dairy products accounted for most of the growth in sales revenues. Enzymes, protein isolates and essential oils shipped to domestic food processors accounted for much of

the remaining growth. U.S. exports of meats, fresh fruits, fresh vegetables and juices remain flat due to a competitive local livestock and meat processing industry, strong competition from local and New Zealand suppliers of fresh produce, and taxes which discourage the use of imported juices.

Processed fruits, processed vegetables and snack foods recorded the largest export gains among U.S. consumer foods in 1993. U.S. shipments of processed fruits and vegetables are expected to reach a record \$42 million, while a record \$21 million is expected for snack foods. The major processed fruit and vegetable items are frozen strawberries, fruit peels and homogenized preparations, dates, prunes, tomato paste, frozen sweet corn and french fries, and dried onions and garlic. Potato chips, biscuits and pastries (particularly frozen items) and confectioneries without chocolate are the most successful snack foods.

New-to-market, processed consumer foods which are healthful, offer added convenience, or are perceived as gourmet or specialty items currently offer some of the best opportunities for new sales. Some of the most recent examples of successful items are Burns & Ricker Bagel Crisps®, Pringles® potato chips, frozen mini corn cobs and onion rings, organic breakfast cereals, frozen and seasoned potato wedge cuts, Dove® ice cream and Colombo® frozen yogurt, Mexican-style foods, U.S. whiskeys and Gerber baby foods.

Lumber Leads U.S. Wood Product Sales

Australia is the United States' eighth largest foreign market for wood products. Reversing a slump in 1992, U.S. exports of wood products are expected to rise nearly 40 percent to \$107 million in 1993. Softwood lumber accounts for nearly 80 percent of U.S. wood shipments. Australia imposes moderate tariffs on U.S. products (up to 12 percent), while providing preferential treatment to our major softwood competitors, namely Canada, New Zealand and several developing countries.

The near-term demand for most wood products in Australia is expected to remain weak. The official interest rate has fallen from 17 to five percent since 1989, which helps support new commercial and home construction. However, given the expectation of persistent high unemployment (now at 11 percent), the demand for lumber and plywood should remain modest for the next few years. The one exception may be the market for bridge construction. The U.S. wood industry continues to promote timber bridge construction, and work in this niche market may lead to new sales of U.S. pre-stressed Douglas fir over the next few years.

For more information on exporting to Australia, contact: James Turan, Agricultural Counselor at the U.S. Embassy in Canberra at (61-6) 270-5854 (telephone) or 273-1656 (fax); or Ernest Carter in Washington, D.C. at (202) 720-2922.

Market promotion funds are provided on a matching basis to U.S. industry cooperators for generic and branded overseas activities. To support expanding U.S. exports to Australia, FAS-administered funding rose from \$1 million in FY 1987 to \$3.1 million in FY 1992. About two-thirds of the total is allocated to consumer foods. Walnuts, almonds, citrus fruit, sweet corn, strawberries, bourbon, salmon and wood products received the largest support during the past few years.

U.S. Agricultural Exports by Commodity Type to AUSTRALIA

Calendar Years 1988 to 1993 and Year-to-Date Comparisons
(thousands of dollars)

Product	Calendar Years					January - November		% Chg
	1988	1989	1990	1991	1992	1992	1993	
BULK COMMODITY TOTAL	53,487 *	30,460	49,361	48,850	33,512	31,659	34,421	8.7
Wheat	0	2	46	0	0	0	0	
Coarse Grains	0	4	0	356	0	0	29	
Rice	1,048	822	861	814	967	915	1,016	11.0
Soybeans	20,966 *	4,328	15,634	18,778	5,394	5,394	12,393	129.8
Cotton	0	0	16	136	145	145	0	
Tobacco	23,415	16,591	23,361	20,994	20,068	18,807	16,199	-13.9
Pulses	2,473	2,606	4,572 *	2,490	2,399	2,167	2,087	-3.7
Peanuts	2,496	3,360	3,107	964	408	330	285	-13.6
Other Bulk Commodities	3,089	2,747	1,764	4,318 *	4,130	3,900	2,411	-38.2
INTERMEDIATE TOTAL	47,174	53,181	95,992	143,508 *	127,912	106,938	142,780	33.5
Wheat Flour	26	13	13	101	90	90	0	
Soybean Meal	10,833	2,593	6,357	21,808 *	16,355	16,355	19,194	17.4
Soybean Oil	25	78	9	34	192	192	13	-93.2
Other Vegetable Oils	1,564	1,910	1,847	2,404	962	915	1,328	45.1
Feeds & Fodders (Excl. Pet Foods)	1,119	1,263	1,504	2,116	2,789	2,666	4,690 *	75.9
Live Animals	0	447	2,178	2,785	3,091 *	2,525	2,475	-2.0
Hides & Skins	489	794	1,162	339	327	320	113	-64.7
Animal Fats	226	82	47	47	21	12	3	-75.0
Planting Seeds	7,227	6,361	6,984	7,757	8,180	7,436	6,550	-11.9
Sugars, Sweeteners & Bever. Bases	8,687	12,522	49,401	75,270	67,207	50,120	77,208 *	54.0
Other Intermediate Products	16,977	27,119	26,491	30,846	28,698	26,307	31,206 *	18.6
CONSUMER-ORIENTED TOTAL	57,812	71,802	78,175	88,330	106,795 *	96,779	114,023	17.8
Snack Foods (Excl. Nuts)	4,381	4,030	6,611	8,115	12,909	11,741	18,391 *	56.6
Breakfast Cereals & Pancake Mix	324	999	1,540	1,474	2,549 *	2,459	1,995	-18.9
Red Meats, Fresh/Chilled/Frozen	352	483 *	436	264	389	389	87	-77.6
Red Meats, Prepared/Preserved	165	506	593	905 *	795	680	303	-55.4
Poultry Meat	50	18	0	94	31	31	215 *	593.5
Dairy Products	2,048	3,223	5,149	6,445 *	10,648 *	9,462	9,867	4.3
Eggs & Products	0	16	7	14	73	73	92 *	26.0
Fresh Fruit	8,797	11,130 *	6,988	4,889	5,130	4,258	5,045	18.5
Fresh Vegetables	2,205	3,449	3,666 *	2,508	2,772	2,431	2,985	22.8
Processed Fruit & Vegetables	15,203	18,449	20,868	21,296	27,170	23,979	38,736 *	61.5
Fruit & Vegetable Juices	4,487 *	4,025	643	1,010	1,103	1,080	802	-25.7
Tree Nuts	10,860	14,141	15,919	17,855	17,982 *	16,443	16,255	-1.1
Wine and Beer	624	1,158	1,270	2,279 *	1,488	1,340	2,142	59.9
Nursery Products & Cut Flowers	110	365 *	276	352	229	229	280	22.3
Pet Foods	509	1,407	1,126	1,511	2,027	1,903	2,442 *	28.3
Other Consumer - Oriented Products	7,697	8,403	13,082	19,321	21,502 *	20,281	14,386	-29.1
AGRICULTURAL TOTAL	158,473	155,443	223,528	280,688	268,219 *	235,376	291,224 *	23.7

Note: (*) Denotes highest export level since at least 1970.

Product Spotlight: Processed Coffee

An increasing number of consumers worldwide are waking up to processed coffee which is shipped from the U.S. In fiscal 1993, U.S. coffee exports reached a record \$133 million. With rapid growth in coffee consumption expected to continue in some of the U.S.'s stronger markets, growing acceptance of a wider array of coffee beverages, and declining tariffs in South Korea, foreign sales of coffee processed in the U.S. should reach new highs throughout the 1990's. By 2000, U.S. exports of processed coffee could top \$160 million.

Although the United States is the world's second largest importer of processed coffee, the U.S. coffee industry is also recognized as an expanding, aggressive exporter. (The term processed coffee excludes green coffee beans and coffee husks/skins.) All segments of the industry (decaffeinated coffee beans, roasted coffee, and instant coffee) are experiencing an export expansion that has persisted for at least the last half decade (see page graph 10), excepting coffee substitutes containing coffee.

Some companies may be overlooking export markets as niche opportunities in the U.S. perk up, but the lesson proven time and again is that consumption trends in the U.S. are destined to be duplicated overseas. The most pronounced domestic trend is the perky performance of gourmet coffees (see inset).

The top export market for U.S. processed coffee is Canada, followed by Japan, the former Soviet Union (FSU),

South Korea and Hong Kong. Although Europeans are heavy coffee consumers, the European Union is conspicuously absent from this list for two reasons: (1) they prefer robusta-based brews over arabica or mild blends, which is inverse to the brands produced by, and identified with, U.S. roasters, and (2) European firms are quite competitive with U.S. coffee manufacturers in terms of quality, and they enjoy a cost advantage in their home markets.

Exports to Japan Soar

U.S. exporters grabbed an increasing share of the expanding Japanese coffee market over the last five years. In 1988, U.S. firms garnered merely 2 percent of Japan's coffee import market. By 1992, the U.S. share had risen to 14 percent. However, processed coffee imports are overshadowed by domestic grinders who dominate the market. In 1990, Japan imported 2,630 tons of roasted coffee and 5,704 tons of instant coffee, which paled in comparison to

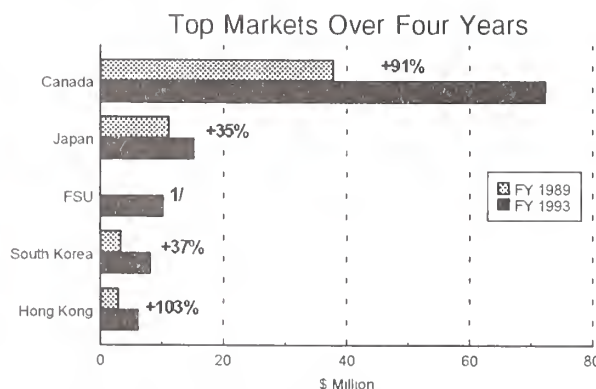
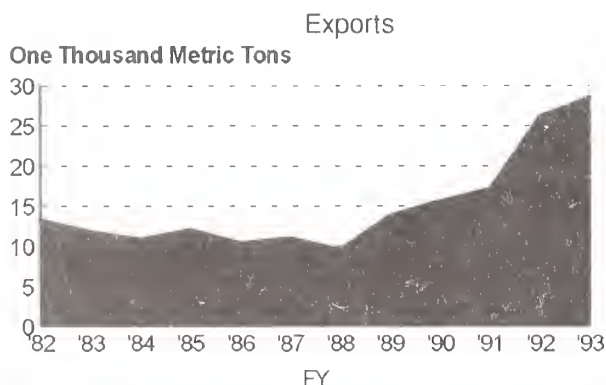
domestic production of 112,000 and 34,000 tons, respectively. Nevertheless, U.S. firms should seriously consider scouting out this market because it is one of the U.S.' best prospects for increased sales of higher-value coffee, including gourmet brands.

One of its strongest attractions is that Japanese consumption is growing. The Japanese market for coffee expanded every year for more than a decade, and annual growth is projected to continue rising at a healthy clip of 7 percent. As an indication there is still room to grow, annual per capita coffee consumption in 1989 was 2.5 kg in Japan, as compared with 4.4 kg in the U.S. in 1986.

The coffee drinking population has also grown steadily, and now numbers more than 82 million out of a total population of roughly 125 million, according to the All Japan Coffee Association. The demographics of coffee consumption have shifted somewhat. Fewer people between 18 and 24 are drinking coffee as compared to five years ago, but coffee consumption for people between 25 and 59--the primary target market--grew by roughly 7 percent over this period.

Among the primary divisions of the Japanese coffee market, *canned coffee* is the star performer in that it is the fastest growing segment. It now accounts for roughly 20 percent of consumption. Canned coffee has built up a market position on the merits of

U.S. Coffee Opens Markets Around the World



1/ Negligible exports reported for FY 1989

Gourmet Coffees Go Great Guns

The rise in U.S. purchases of gourmet brews may predict a parallel rise in consumption of specialty coffees overseas, especially in Canada.

Have you noticed the espresso carts which have turned up on the sidewalks of U.S. cities? Or the increased shelf space in U.S. supermarkets given over to whole bean coffee and specialty grinds flavored with exotic ingredients in valve-packed cartons? Or the high-velocity growth of coffee bars serving cappuccino, cafe au lait and so forth, which is testimonial to the trade's commitment to reinventing the habits of conviviality and coffee drinking?

While the definition of gourmet coffee is a little vague, relying on price (about twice that of regular coffee), up-scale packaging, and distribution channels (specialty food stores or supermarkets with appealing environments and prominently displayed grinding machines), image and flavor are the *key* attributes. Companies can get a jump on the competition in foreign markets if they fix their sights outwards and get in early to develop the appetite of customers for gourmet coffees. The inducement is certainly there, as specialty coffee is a high-margin business.

FAS analysis suggests the first place to look to promote gourmet coffees is Canada, the U.S.'s largest processed coffee market. According to Ted Lingle, President of the American Specialty Coffee Association, the second most promising market for the sale of specialty coffees is the Pac Rim.

According to The Second Cup Ltd., which is the largest chain of Canadian specialty coffee retailers, sales of gourmet blends in Canada grew at 15-20 percent for several years, and have accelerated in growth more recently. This firm engages in extensive in-store promotions of their coffee. For example, an upcoming "coffee amnesty" program will allow customers to bring in any other coffee which they have lying around at home, and for \$2 receive a house brand gourmet coffee worth \$7.99.

However, Canadian firms will have to keep looking over their shoulder at new entrants, such as the U.S.-based Starbucks Coffee Co., which has expanded from a single coffee bar in Vancouver in 1987, to a 37-store chain in Canada. Starbucks treats the Canadian market the same as the U.S. market, offering a comfortable and upbeat meeting place for customers whose coffee palates are as discerning as those of wine connoisseurs. They have introduced a new caffeine vocabulary to match the focus on product quality. Starbucks augments name recognition by selling in-store specialty merchandise, and by carrying out print campaigns for several weekends preceding big holidays. They and other specialty coffee retailers are penetrating the baby boomer market, a market possessing income, sophistication and a willingness to choose coffee bars over liquor bars.

its own special flavor, which is highly sweetened and served with creamer. It is distinguished from drip-ground coffee (which is referred to as regular coffee,

in the Japanese vernacular) and instant coffee.

Japan is the largest market in the world for ready-to-drink canned coffee, which is commonly drunk as a cold beverage akin to iced coffee. Most canned coffee is purchased from the country's 5.5 million vending machines strategically placed near transportation facilities and other high-traffic areas. The convenience and the sheer number of vending machines has helped to make canned coffee an integral beverage for Japanese in all seasons, both summer and winter. Other distribution channels such as supermarkets and convenience stores together account for less than 15 percent of total sales.

Firms that contemplate breaking into the Japanese market should know that less than 1.4 percent of total sales of canned coffee are generated by imports, although new product introductions occur every year, making it more likely that the U.S.'s foothold will grow over the medium-term. One of the most attractive options to explore is shipping U.S. private label canned coffee, which some Japanese wholesalers and distributors are considering importing. However, tariffs for canned coffee remain steep at 16 to 22.4 percent.

Future demand for *regular coffee* is projected to be strongest from retail buyers as Japanese lifestyles change along with prevailing economic trends. For example, sales of ground, roasted coffee for home-use are increasing due to the rising availability of electric coffee makers and consumers' preference for authentic coffee, which is all but replacing powdered, instant coffee in domestic settings. Products offering convenience, such as single-serving cassette filters and single-serving sticks, are gaining popularity. By contrast, commercial-use regular coffee is already a mature market. Sales of regular coffee to coffee shops (the primary users) are falling with the closing of cafes due to rising land costs.

Soluble coffee, which represents 40 percent of the coffee market in Japan, has lost ground to roasted coffee,

...Processed Coffee

primarily because canned coffee manufacturers began to favor frozen coffee extracts, and industrial users are choosing less expensive extracts and concentrates. Despite the decreasing home and commercial use of instant coffee, manufacturers are making inroads among fast-food restaurants. Leading instant coffee manufacturers, such as Nestle and AGF, have upgraded ingredients and processing techniques to produce a roast coffee flavor.

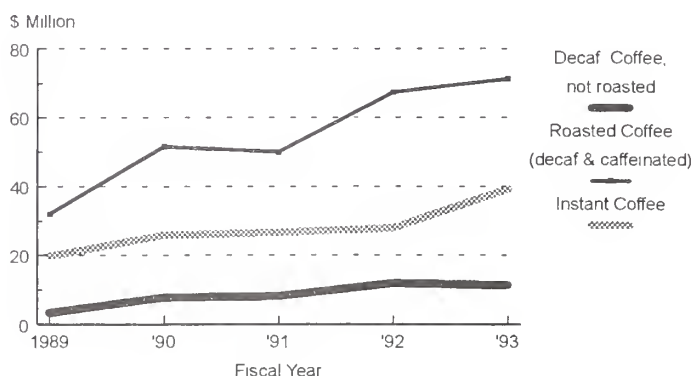
The biggest foreign competitors in the Japanese market are German, Italian, Belgian and Swiss firms. The major Japanese roasters are the Ueshima Coffee Co., Key Coffee and Art Coffee. Their shares of the domestic roasted coffee market in 1990 were 82 percent, 11 percent and 5 percent, respectively. All segments of the coffee market are represented in Japan, from exotic specialty coffees to espresso-type blends.

The FSU Offers a Mixed Picture

Although U.S. shipments of processed coffee to the FSU have skyrocketed from less than half a million dollars in fiscal 1992 to almost \$10 million in 1993, most of the sales are conducted by agents of South American firms which transship their product through the U.S., leaving very little value-added to be captured here. According to Richard Kassir at Chock Full O'Nuts, most U.S. manufacturers are presently shying away from this business because the Russian trade is very price sensitive, as they lack hard currency.

However, this is not to say that U.S.-based firms are not represented among the sellers. Some mass producers of inexpensive coffee, especially soluble brewed coffee, such as brands manufactured by Kraft General Foods and Proctor & Gamble, have made a go of it. They cater to the small segment of the population that can afford to buy western foods, or those products which are seen as glamorous and offering cachet. Russian importers seek out instant coffee because consumers lack percolators. It is sold mainly through kiosks, western hotel chains, and the

All Major Segments are Gaining in Foreign Sales



growing number of modern corner grocers.

South Korea Opens Up

The combined pull of the full-fledged growth of the coffee market in South Korea and progressive tariff reductions on coffee recently has permitted a rising tide of U.S. exports of processed coffee to that country. U.S. shipments jumped from \$3.5 million in fiscal 1989 to \$8.3 million in fiscal 1993, a gain of 137 percent. This rise is even more impressive in absolute terms, as it surpasses the gains made to Japan over the same period. In fact, FAS analysis projects South Korea as the top market prospect for future growth of U.S. processed coffee exports.

Instant coffee is by far the most popular form of coffee in South Korea, which is a preference dating back to the Korean War. Not surprisingly, it also comprises the greatest portion, or 89 percent, of imported coffee. The U.S. is the largest supplier of instant coffee, with a 67-percent market share in 1992. The outlook is bright for U.S. grinders and roasters since the volume of Korea's instant coffee imports is expected to increase in the future as the tariff differential between instant coffee and coffee beans narrows, allowing U.S. firms to exert pressure upon domestic manufacturers.

For nearly 20 years, the 35,000-ton Korean coffee market has been dominated by Dong Suh Foods Co., which belongs to the Kraft General Foods Group. They import part of their product line from the U.S., for example, Maxim® instant coffee. However, the Korean market is heating up due to positive advances of Korean enterprises and full-scale entries of overseas brand coffee manufacturers. The growth of Nestle Korea Ltd. is especially noteworthy as its market share reached almost 30 percent of the total coffee market in only 4 years in the business. Other firms that are active in South Korea include Caravan Coffee (a Japanese roaster), Lotte and Miwon, both domestic food processors.

It is not surprising that declines in Koreans' aggregate demand for instant coffee has paralleled similar changes in consumption patterns of Japanese consumers. That is, while consumption of instant coffee increased at 20 percent per annum until 1990, regular coffee gained ground from instant coffee thereafter. The factors which lie behind this trend include: rising incomes which permit purchase of brewing equipment, Westernization of tastes, a recent boom in self-service coffee shops and the spread of Office Coffee Service (OCS).

For more information, contact Diane Dolinsky at (202) 720-6821.

Trade Policy Updates

Thailand Will Also Permit Rice Imports

While attention on rice trade has been focused on the dramatic events in Korea and Japan over the past few days, Thailand's rice import ban will also be lifted. Before the GATT Uruguay Round agreement, rice could only be imported into Thailand by special permission. The Thai Government will replace the ban with a tariff rate quota. Thai officials said that the tariff on the annual 250,000 ton quota would be 20-30 percent, while those exceeding the limit would be charged 60 percent. Thailand's 250,000 ton quota compares quite favorably with the 400,000 ton quota that Japan has agreed to for a six year period. Thailand, being a major rice exporter, will probably not import very much rice.

Poland Suspends Tariffs on Selected Agricultural Commodities

Effective Jan. 1, 1994, Poland reinstated suspended tariff rates for a number of agricultural products due to crop shortfalls. The duty-free rates provide improved market access to several U.S. agricultural exports, particularly soybeans, soybean meal, and durum wheat. Duty-free imports of durum wheat are limited to a 250,000 tons annual tariff rate quota.

Lithuania Reduces Meat Import Duties

The Lithuanian Ministry of Agriculture has issued quotas for duty-free import of pork to make sausages and other meat products. Until recently, the government of Lithuania had shielded its farmers with high tariffs for agricultural products. For example, sugar and meat are subject to 70 percent and 30 percent import duties, respectively. Due to the hard situation on consumers, the government of Lithuania was forced to ease its import restrictions. According to trade sources, currently there is practically no pork currently on sale in Lithuania.

Russian Food Commission Gets More Power

The Russian Food Commission, which has been granted more powers by the Russian government, will take a preliminary look in February at food and trade policy issues before they are discussed in cabinet meetings. In its new role, the Commission can consider and propose to the cabinet adjustments to government decisions on food imports. The Commission can also selectively review foreign trade issues, including duties for food listed for shipment under government-to-government agreements with other CIS republics. Finally, in its new role the Commission can now voice their opinion about issues linked with state procurement of foodstuffs and the allocation of budget resources to those procurements.

EU Opens Portuguese Corn Quota Under Blair House Agreement

The EU (European Union) Commission has opened a reduced-tariff quota of 500,000 tons of corn into Portugal in compliance with the Blair House Agreement. Imports of corn into Portugal will take place through a reduced tariff fixed by a tendering procedure (similar to the Spanish purchases of corn under the U.S.- EU Enlargement Agreement). However, there is also a provision for the Portuguese intervention agency to purchase and store corn under the quota until it can be sold on the domestic market.

French-Speaking Africa Devalues the Franc by 50 Percent

According to sources, the French-speaking African countries (Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Congo, Equatorial Guinea, Ivory Coast, Gabon, Mali, Niger, Togo, and Senegal) decided to devalue their currency. This measure is effective as of Jan. 12, 1994. Most of these countries, already suffering depressed economies, will be more dependent upon aid and donations from other countries as price for imported goods double in price. These countries are highly dependent on imports.

...Trade Policy Updates

Japanese Government Announces Deregulation

A private advisory panel established by Prime Minister Hosokawa recently published its long awaited report on deregulation. Although it stops short of providing recommendations on specific reform measures, the report listed 94 items as candidates for deregulation. In the agricultural sector, highlighted items included:

- price supports for grains, sugar and livestock products;
- the Feed Stabilization Law;
- the Food Sanitation, Quarantine, and Poultry Inspection laws;
- the Japan Agricultural Standard System (JAS);
- import restrictions on rice, salt, wheat, and miscellaneous fresh products including fish and eggs; and
- price and retail sales restrictions on cigarettes.

It remains for the pertinent ministries to determine how to reform these areas. It is widely assumed that any significant economic reforms will have to wait until political reform is implemented.

EU Moves to Fill Quotas Under Both the Enlargement and Blair House Agreements

On January 13, EU (European Union) grain management committee accepted bids for 841,000 tons (out of a 1.2 million ton quota) of corn to be imported to Spain under the U.S.-EU Enlargement Agreement. EU officials confirmed with USEC that 750,000 tons of the total quantity was of U.S. origin, 18,500 tons was of Argentine origin, and the remaining was optional U.S./Argentine origin. No bids were accepted for the import of sorghum.

As to the 500,000 tons of corn to be imported to Portugal under the Blair House Agreement, the grain management committee has opened a tender for 150,000 tons. The tender will be open through March 3 and certificates will be valid until April 15. (Under the BHA, the corn must be imported by July 1994.) The remaining 350,000 tons will be purchased directly on the world market by the Portuguese intervention Agency.

Kazakhstan and Uzbekistan to Form Economic Union

Trade sources report that Kazakhstan and Uzbekistan will abolish customs tariffs on trade between the two countries and seek to create a common market by year 2000. This agreement will allow for free movement of goods, services, capital and labor between the two countries and coordination of fiscal and customs policies.

Market Updates

China Lowers Duties for Apples, Other Horticultural Products

Effective Jan. 1, 1994, China lowered its tariffs on a number of horticultural products, including apples. The reduction in the apple duty from 80 percent to 40 percent, in conjunction with the recently concluded phytosanitary protocol allowing for imports of Washington State apples, is expected to provide significant new market opportunities for U.S. exporters in this very promising market. Tariffs on a range of other fresh fruits (e.g. citrus, pears, avocados) were reduced significantly as well. However, existing phytosanitary barriers for these products will have to be overcome before exporters will benefit from the reduced duties.

Imports of Chinese Honey Found to Threaten U.S. Industry

On Dec. 21, 1993, the United States International Trade Commission (ITC) determined that rapidly increasing U.S. imports of Chinese honey represent a significant threat of material injury to the domestic honey industry. The investigation, made under section 406 of the Trade Act of 1974, came in response to U.S. honey producers' concerns regarding lower Chinese honey import prices. China is by far the United States' major supplier, accounting for 52 percent of total U.S. honey imports in 1992. On Jan. 4, 1994, the ITC announced its recommendations for addressing the threat of injury. The most favored recommendation, supported by three commissioners, calls for the establishment of a tariff-rate quota (TRQ) of 25 percent for the first 12.5 million pounds of honey imported and 50 percent for quantities over 12.5 million pounds. The duty currently levied on Chinese honey imports is about 2 percent (2.2 cents per kilogram). This recommendation also calls for a review of the TRQ in 3 years, and possibly sooner, depending on the future development of the domestic honey support program.

Indonesia: Food Safety and Inspection Team visit

Staff from OICD's Food Industries Division (FID), Trade and Investment Program (TIP), and the Foreign Agricultural Service's (FAS) Office of Food Safety and Technical Services are working with USAID's Asia Bureau to help Indonesia's Ministry of Food Affairs and BULOG (MFA) modify the country's food safety and inspection laws and regulations. Agribusiness related technical assistance from the United States to modify Indonesia's food safety laws and inspection regulations, in conjunction with other U.S. market promotion activities, should help us increase market share for U.S. value added products and other agricultural commodities in the fourth most populous nation in the world. U.S. team members recommended specifics to Indonesia's draft food law be designed to regulate at the first point of processing and storage and provide for regulation at the point of production when dealing with matters of public health.

U.S. Burley Loan Take Surge

Through the 20th day of the 1993/1994 (Jan. 11, 1994) U.S. burley tobacco auction season, nearly 36 percent of the tobacco crop has gone under loan. This rise in loan take, from about 19 percent for all of last year, may be attributed to buyers being very cautious due to possible effects of a higher cigarette tax, weak export demand, and ample supplies of leaf tobacco including burley worldwide. In addition, buyers may also be holding back on purchases in anticipation of the possible effects of the recently passed mixing requirement in the U.S., including possible adverse effects on the competitiveness of U.S. cigarettes in foreign markets.

...Market Updates

Sudan Bans Sorghum Exports

The Government of Sudan recently banned sorghum exports, due to sharply lower production. Reportedly, drought and pest problems will result in production that is about one-half the size of the previous year's level, and one that is barely able to meet normal domestic consumption. Although Sudan is a minor sorghum exporter in a world market dominated by the United States and Argentina, it competes directly with the United States in important sorghum importing markets, such as Japan and Turkey, and has had special agreements to export sorghum to the EC. Last year, Sudan exported about 186,000 tons to Japan; 201,000 tons to Turkey; and about 250,000 tons to the E U. This is the third time in 9 years that Sudan has banned sorghum exports.

Venezuela Partially Lifts Pork Import Ban

On December 31, Venezuela's Ministry of Agriculture (MAC) lifted its ban on imports of U.S. pork products. The ban was put in place because of MAC fears that imported pork could cause local outbreaks of porcine respiratory and reproductive syndrome (PRRS). USDA's Food Safety and Inspection Service has been notified to include a declaration on its sanitary export certificate that the product was processed at a temperature of 232 degrees fahrenheit for an hour, inactivating the virus. Every country which has conducted a serological survey, including the United States, has found evidence of the disease. Venezuela, however, has never conducted a survey for the disease.

U.S. Agricultural Exports by Commodity Type

Calendar Years 1988 to 1993 and Year-to-Date Comparisons

(thousands of dollars)

Product	Calendar Years					January - November		% Chg
	1988	1989	1990	1991	1992	1992	1993	
BULK COMMODITY TOTAL								
Wheat	20,340,369	22,813,257	20,232,083	18,348,386	19,687,248	17,859,424	16,721,813	-6.4
Coarse Grains	4,890,724	5,886,505	3,839,037	3,292,138	4,449,324	4,060,796	4,239,781	4.4
Rice	5,891,340	7,738,137	7,036,717	5,722,597	5,736,599	5,202,203	4,496,908	-13.6
Soybeans	803,764	971,123	801,527	753,557	726,072	651,001	703,887	8.1
Cotton	4,890,661	3,942,468	3,549,508	3,956,443	4,380,402	3,942,658	4,078,385	3.4
Tobacco	1,992,007	2,268,501	2,798,495	2,491,999	2,010,338	1,837,575	1,373,924	-25.2
Pulses	1,252,772	1,301,173	1,441,116	1,427,631	1,650,559	1,495,110	1,177,107	-21.3
Peanuts	240,667	298,404	353,111	268,414	191,656	172,318	191,992	11.4
Other Bulk Commodities	155,518	192,670	203,373	180,304	240,308	219,230	189,692	-13.5
INTERMEDIATE TOTAL	222,916	214,275	209,199	255,304	301,989	278,533	270,137	-3.0
Wheat Flour	9,012,700	8,645,875	8,573,907	8,789,224	9,231,134	8,436,821	8,124,625	-3.7
Soybean Meal	192,737	257,937	182,956	184,256	184,317	167,115	195,400	16.9
Soybean Oil	1,579,032	1,212,295	1,005,103	1,155,307	1,294,722	1,195,693	1,041,860	-12.9
Other Vegetable Oils	476,970	358,723	312,930	222,126	376,202	356,330	311,593	-12.6
Feeds & Fodders (Excl Pet Foods)	428,943	423,994	394,790	418,144	502,732	462,602	476,550	3.0
Live Animals	1,629,983	1,596,995	1,572,369	1,605,732	1,722,327	1,581,322	1,590,698	0.6
Hides & Skins	606,201	490,501	513,783	686,563	607,891	548,355	462,272	-15.7
Animal Fats	1,826,493	1,696,164	1,729,731	1,357,570	1,326,054	1,231,361	1,164,295	-5.4
Planting Seeds	559,145	510,153	428,729	426,824	515,214	472,280	447,596	-5.2
Sugars, Sweeteners, & Beverage Bases	423,528	510,214	588,723	671,655	575,011	574,863	541,053	-5.9
Other Intermediate Products	419,098	409,198	572,052	634,101	573,921	516,656	515,972	-0.1
CONSUMER - ORIENTED TOTAL	870,569	1,179,702	1,272,743	1,426,946	1,452,744	1,330,244	1,377,337	3.5
Snack Foods (Excl. Nuts)	7,741,635	8,379,789	10,465,615	11,967,920	13,895,994	12,742,153	13,557,024	6.4
Breakfast Cereals & Pancake Mix	282,234	364,429	530,125	633,040	829,679	753,110	919,652	22.1
Red Meats, Fresh/Chilled/Frozen	59,069	91,881	157,882	216,802	219,762	193,784	234,354	20.9
Red Meats, Prepared/Preserved	1,852,839	2,213,602	2,394,495	2,660,267	3,112,361	2,871,618	2,803,329	-2.4
Poultry Meat	118,679	100,638	135,998	165,101	181,562	164,025	192,593	17.4
Dairy Products	458,117	509,426	672,888	817,913	928,464	839,155	970,984	15.7
Eggs & Products	578,281	430,741	328,053	462,956	793,754	731,500	772,232	5.6
Fresh Fruit	117,193	90,685	101,979	143,367	139,234	127,262	127,158	-0.1
Fresh Vegetables	1,093,196	1,134,657	1,486,489	1,561,053	1,683,344	1,573,524	1,572,900	-0.0
Processed Fruit & Vegetables	319,584	356,015	728,648	832,935	899,624	815,336	905,459	11.1
Fruit & Vegetable Juices	855,922	1,003,616	1,246,753	1,394,490	1,558,121	1,427,442	1,500,037	5.1
Tree Nuts	271,030	291,248	375,497	385,414	461,017	431,823	434,602	0.6
Wine and Beer	751,201	683,332	801,120	867,704	928,531	844,896	877,817	3.9
Nursery Products & Cut Flowers	151,763	206,095	266,202	315,756	369,181	341,434	352,546	3.3
Pet Foods	83,797	104,887	186,741	201,442	201,321	186,432	195,056	4.6
Other Consumer - Oriented Products	133,563	175,539	244,038	329,772	399,630	362,808	446,316	23.0
AGRICULTURAL TOTAL	37,094,704	39,838,921	39,271,605	39,105,530	42,814,376	39,038,398	38,403,462	-1.6

Note: (*) Highest export level since at least 1970.

U.S. Agricultural, Fish & Wood Product Exports by Major Commodity Group

Monthly and Annual Performance Indicators

Export Values	November			October–November			Fiscal Year		
	1992	1993	Change	FY '93	FY '94	Change	1993	1994(f)	Change
	– \$Billion –			– \$Billion –			– \$Billion –		
Grains and Feeds 1/	1.297	1.243	–4%	2.605	2.476	–5%	14.332	13.6	–5%
Wheat & Flour	0.411	0.408	–1%	0.890	0.777	–13%	4.954	3.9	–21%
Rice	0.060	0.063	5%	0.130	0.141	8%	0.768	1.1	43%
Coarse Grains 2/	0.552	0.452	–18%	0.972	0.909	–6%	5.094	5.1	0%
Corn	0.498	0.412	–17%	0.852	0.819	–4%	4.251	4.1	–4%
Feeds & Fodders	0.164	0.191	16%	0.373	0.392	5%	2.196	2.2	0%
Oilseeds and Products	0.760	0.766	1%	1.617	1.525	–6%	7.371	7.3	–1%
Soybeans	0.489	0.482	–1%	1.059	0.969	–8%	4.606	4.5	–2%
Soybean Cakes & Meals	0.128	0.141	10%	0.245	0.240	–2%	1.146	1.0	–13%
Soybean Oil	0.025	0.025	1%	0.071	0.075	6%	0.327	0.4	22%
Other Vegetable Oils	0.034	0.045	32%	0.074	0.095	28%	0.496	NA	NA
Livestock Products	0.514	0.550	7%	1.087	1.053	–3%	5.886	6.2	5%
Red Meats	0.268	0.257	–4%	0.551	0.508	–8%	3.052	3.3	8%
Hides, Skins & Furs	0.101	0.099	–1%	0.210	0.197	–6%	1.271	1.3	2%
Poultry Products	0.118	0.124	4%	0.239	0.261	9%	1.315	1.4	6%
Poultry Meat	0.089	0.097	9%	0.177	0.208	17%	0.994	NA	NA
Dairy Products	0.082	0.086	4%	0.192	0.156	–18%	0.891	0.9	1%
Unmanufactured Tobacco	0.167	0.108	–36%	0.302	0.192	–36%	1.443	1.3	–10%
Cotton and Linters	0.125	0.116	–7%	0.209	0.218	4%	1.538	1.7	11%
Planting Seeds	0.063	0.062	–2%	0.126	0.104	–18%	0.664	0.7	5%
Horticultural Products	0.606	0.664	10%	1.350	1.417	5%	7.299	7.6	4%
Sugar & Tropical Products	0.142	0.175	24%	0.304	0.355	17%	1.715	1.8	5%
Wood Products 4/	0.569	0.553	–3%	1.168	1.126	–4%	7.293	NA	NA
Fish and Seafood Products 4/	0.187	0.192	3%	0.373	0.422	13%	2.928	NA	NA
Total Agriculture	3.874	3.894	1%	8.031	7.756	–3%	42.454	42.5	0%
Total Agriculture, Fish & Wood	4.630	4.639	0%	9.572	9.304	–3%	52.675	NA	NA

Export Volumes	– – MMT – Change			– – MMT – Change			– – MMT – Change		
Grains and Feeds 1/	9.737	8.635	–11%	19.140	17.316	–10%	104.149	NA	NA
Wheat	2.946	3.066	4%	6.519	5.802	–11%	36.081	30.0	–17%
Wheat Flour	0.088	0.065	–26%	0.162	0.139	–14%	1.067	1.1	3%
Rice	0.192	0.211	10%	0.406	0.506	25%	2.713	2.8	3%
Coarse Grains 2/	5.475	4.072	–26%	9.663	8.412	–13%	50.100	42.8	–15%
Corn	4.923	3.677	–25%	8.456	7.521	–11%	41.766	34.5	–17%
Feeds & Fodders	0.838	1.007	20%	1.945	2.036	5%	11.885	11.8	–1%
Oilseeds and Products	3.234	2.878	–11%	6.845	5.678	–17%	29.408	25.0	–15%
Soybeans	2.291	1.969	–14%	4.957	3.973	–20%	20.400	17.1	–16%
Soybean Cakes & Meals	0.623	0.645	4%	1.187	1.133	–5%	5.653	4.6	–19%
Soybean Oil	0.051	0.040	–22%	0.128	0.127	–1%	0.644	0.6	–7%
Other Vegetable Oils	0.055	0.069	26%	0.120	0.147	23%	0.824	NA	NA
Livestock Products 3/	0.252	0.219	–13%	0.532	0.474	–11%	2.811	NA	NA
Red Meats	0.079	0.077	–2%	0.163	0.153	–6%	0.903	1.0	11%
Poultry Products 3/	0.089	0.100	12%	0.178	0.215	21%	1.012	NA	NA
Poultry Meat	0.085	0.096	13%	0.171	0.209	22%	0.974	1.0	3%
Dairy Products 3/	0.044	0.046	2%	0.399	0.467	17%	0.467	NA	NA
Unmanufactured Tobacco	0.027	0.016	–40%	0.050	0.032	–35%	0.231	NA	NA
Cotton & Linters	0.091	0.090	–1%	0.152	0.169	11%	1.163	1.3	12%
Planting Seeds	0.039	0.038	–3%	0.087	0.055	–37%	0.556	NA	NA
Horticultural Products 3/	0.441	0.465	5%	5.951	6.090	2%	6.090	6.6	8%
Sugar & Tropical Products 3/	0.107	0.094	–12%	1.102	0.910	–17%	0.910	NA	NA
Total Agriculture 3/	14.06	12.58	–11%	34.44	31.41	–9%	146.80	130.0	–11%

1/ Includes pulses, corn gluten feed, and meal.

2/ Includes corn, oats, barley, rye, and sorghum.

3/ Includes only those items measured in metric tons.

4/ Items not included in agricultural product value totals.

Note: FY 1994 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published 11/30/93.

U.S. Agricultural Export Value by Region
Monthly and Annual Performance Indicators

	November			October – November			Fiscal Year		
	1992	1993		FY '93	FY '94		1993	1994(f)	
	–\$Billion–		Change	–\$Billion–		Change	–\$Billion–		Change
Western Europe	0.726	0.772	6%	1.715	1.540	–10%	7.439	7.5	1%
European Union 1/	0.690	0.728	5%	1.617	1.445	–11%	6.964	7.0	1%
Other Western Europe	0.035	0.045	27%	0.098	0.094	–4%	0.475	0.5	5%
Eastern Europe	0.063	0.037	–41%	0.114	0.078	–32%	0.465	0.4	–14%
Former Soviet Union	0.163	0.272	67%	0.344	0.518	51%	1.435	1.2	–16%
Asia	1.409	1.426	1%	2.829	2.797	–1%	15.866	16.4	3%
Japan	0.673	0.766	14%	1.394	1.551	11%	8.430	8.9	6%
China	0.005	0.050	907%	0.009	0.073	703%	0.317	0.3	–5%
Other East Asia	0.521	0.416	–20%	0.985	0.799	–19%	4.932	5.0	1%
Taiwan	0.201	0.192	–4%	0.402	0.348	–13%	1.998	2.1	5%
South Korea	0.220	0.140	–36%	0.389	0.276	–29%	2.041	2.0	–2%
Hong Kong	0.100	0.083	–17%	0.193	0.174	–10%	0.878	0.9	3%
Other Asia	0.210	0.195	–7%	0.441	0.374	–15%	2.187	2.2	1%
Pakistan	0.035	0.021	–40%	0.077	0.038	–51%	0.236	0.3	27%
Philippines	0.061	0.056	–9%	0.115	0.105	–9%	0.511	0.6	17%
Middle East	0.124	0.162	30%	0.308	0.385	25%	1.856	2.0	8%
Israel	0.027	0.009	–68%	0.073	0.057	–21%	0.363	0.4	10%
Saudi Arabia	0.026	0.053	101%	0.083	0.115	39%	0.429	0.5	17%
Africa	0.254	0.146	–42%	0.523	0.312	–40%	2.593	2.5	–4%
North Africa	0.128	0.098	–23%	0.274	0.172	–37%	1.587	1.7	7%
Egypt	0.060	0.018	–71%	0.146	0.052	–64%	0.727	0.8	10%
Algeria	0.031	0.053	72%	0.065	0.071	9%	0.428	0.5	17%
Sub – Saharan Africa	0.126	0.048	–62%	0.249	0.141	–43%	1.006	0.8	–20%
Latin America	0.588	0.522	–11%	1.153	1.046	–9%	6.813	6.9	1%
Mexico	0.247	0.241	–3%	0.521	0.466	–11%	3.621	3.9	8%
Other Latin America	0.341	0.281	–17%	0.632	0.581	–8%	3.192	3.0	–6%
Brazil	0.063	0.012	–81%	0.073	0.039	–46%	0.231	0.2	–13%
Venezuela	0.048	0.043	–10%	0.099	0.081	–18%	0.498	0.4	–20%
Canada	0.414	0.455	10%	0.833	0.890	7%	5.202	5.2	–0%
Oceania	0.041	0.042	3%	0.076	0.088	16%	0.453	0.4	–12%
WORLD TOTAL ...	3.874	3.894	1%	8.031	7.756	–3%	42.454	42.5	0%

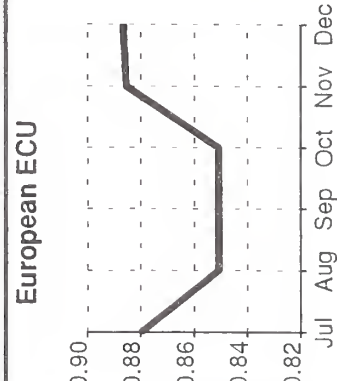
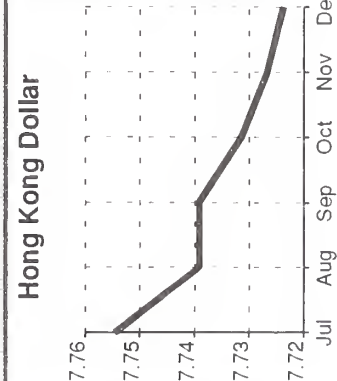
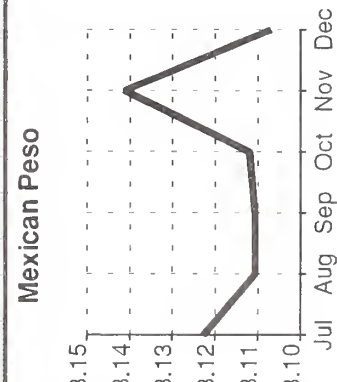
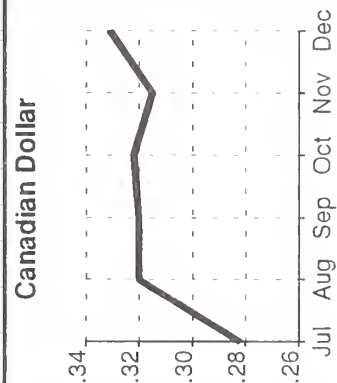
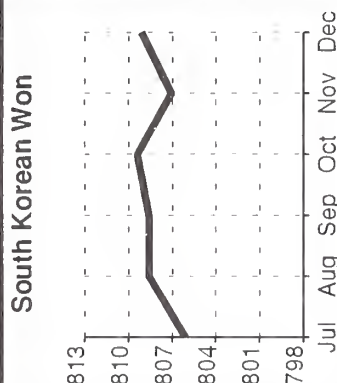
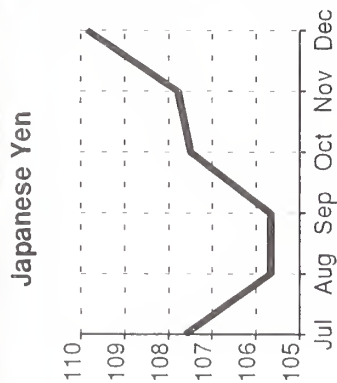
1/ Formerly known as the European Community (EC–12).

Note: FY 1994 forecasts are based on USDA's "Outlook for U.S. Agricultural Exports," published November 30, 1993.

Exchange Rate Movements Of Major World Currencies Vis-a-Vis U.S. Dollar -- Daily Spot Quotations & Monthly Averages

Currencies	Current Rate 1/11/94	Month Ago 12/13/93	Year Ago 1/93	% Change Year Ago 1/93
Japanese Yen				
South Korean Won				
Canadian Dollar				
Mexican Peso				
Hong Kong Dollar				
European ECU				
Argentine Peso	.99	.99	.99	0.00
Australian Dollar	1.4480	1.4892	1.4848	-2.48
Brazilian Cruzeiro real	353.04	254.72	144.35	144.57
Canadian Dollar	1.3223	1.3275	1.2775	3.51
Hong Kong Dollar	7.7258	7.7231	7.7406	-0.19
Japanese Yen	112.55	109.03	125.11	-10.04
Mexican Peso	3.06	3.11	3.11	-1.29
Taiwan Dollar	26.19	26.83	25.43	2.99
South Korean Won	812.00	809.20	792.50	2.46
European ECU	.89912	.88503	.82919	8.43
-British Pound	.6711	.6711	.6429	4.39
-French Franc	5.9207	5.8425	5.5430	6.81
-German Mark	1.7420	1.7074	1.6312	6.79

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, January 11, 1994.
Source: TEID/ITP/FAS Exchange Rate Database and Wall Street Journal.



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Did Bolivia Boost Barley Imports?

Does Portugal Produce Pears?

Did Egypt Export Eggs? Will Nigeria

Need More Nuts? How Does Foreign Fruit

Fare in France? Are Apples Allowed Into Australia?

How Much Cotton Does Canada Cultivate? Will More Meat

Move Into Mexico? Did Denmark Demonstrate a Demand for Duck?

Is Beer a Big Export for Brazil? Does Tunisia Tariff Tobacco? How Well

Does Guatemala Grow? Does India Import Indigo? Has Belgium Banned

Bacon at Its Borders? Does Poland Process Potatoes? Are Peasants Protected in

Peru? Is Sweden Significant in Senegal? Does Costa Rica's Consumer Coconut?

Has Pakistan a Profit Production Method? Is New South Wales a Livestock After? Does Switzerland

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